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Exploring New Forms of Property: Serial Ownership

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## I. Property Ownership for the Money Underprivileged

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Serial Ownership is not a very attractive name to use, yet it is the closest phrase that I have been able to find for the social role that it fills. It is not even ownership in the conventional sense at all. In those terms it lies somewhere between renting and owning. Still, as renters, the Serial Owners are not buying the property for an undeserving landlord nor, as owners, are they paying off their mortgage for themselves alone. They are sharing the burden with other Serial Owners. The property is being bought by the combined efforts of a series of owners who allow the title to the property to be held by a Trust. The Trust makes contractual agreements with each of the Serial Owners in turn, to allow them to exercise ownership rights and commits them to ownership responsibilities. The rights might not be as unfettered as those of the mortgage fettered owner, they obviously shouldn't include the right to degrade the property, but on the other hand the Trust is set up as an altruistic non-profit taking property owner.

Relative to the property the Trust is given some very simple roles and commitments, basically to maintain and upgrade the property and to eliminate any debt. Also, as far as the Trust is concerned, that property is not regarded as a capital asset. In fact the Trust is not allowed to have capital in any form, all its bookkeeping is handled as Committed Cash Flow. Ownership without involving Capital, is the saving grace and essential difference between conventional and Serial Ownership. All money responsibilities within the Trust are based on future Commitments of the Cash Flow rather than Support from Capital Backing. And the Value of a property is measured in terms of its Continuing Usefulness to the Serial Owners and their Trust, not how much Capital Backing it might generate if it were no longer owned. For these reasons I identify conventional property ownership with the phrase Capital Ownership.

Vastly too much of the cost of conventionally owning property is tied up in what I am calling Capital ownership, which refers to the owner's ability to realize the property value as a certain amount of otherwise investible money when the property is sold. The distinction with Serial Ownership is that those owners can only realize their investment in the property as a Commitment to a certain amount of Future Income when they sell. Other distinctions aside, the costs of financing via the 'Capital' route are High, Cumbersome and Inefficient. High, because each resale transaction has to be refinanced, and people and agencies and agents and lawyers and governments all stand in a long handout line. High,

because properties are sold and resold in a scramble for better values and each time these costs are compounded onto each other in what is seen as an escalation of real estate value, when mostly it is simply the high cost of Capital ownership. High also, because it has a built in tendency to be self inflating, driven, as it must be, by greed. And all of it is a cumbersome and inefficient process.

It is sad that this process has indeed degenerated into a means to transfer debt from the present to future generations and it is ironic that in reality, even this Capital is rarely realized by any of us as dollars in our bank accounts. Most of our lives are spent tied to a drudgery of cash flows, made especially heavier by this commitment to having a property convertible into capital. Committed cash flows are what most of our personal economies are governed by, so it shouldn't actually be a burden to accept that the value that we have in our property would come back to us as income rather than as capital.

A Serially Owned property changes owners, via the Trust, but there is no exchange of Capital, only a Commitment to future Cash Flow, meaning they will get an income from the property. The extent or size of that Commitment is not based on a real estate market valuation, but on the existing Serial Owner's investment in the property and on the Usefulness valuation given to it by the Trust. Which is mainly the rentable value to the new Serial Owner, which itself will have been raised by the upgrading efforts of the old Serial Owner who now reaps the benefits. A new Serial Owner is not faced with raising a real estate size mortgage, compounded by legal fees and transferral taxes, etc. A new Serial Owner steps into what appears to be a rental with ownership privileges and with the foreknowledge that their rent will go down with time, not up.

The real estate dream of the Capital Ownership of a property and its future resale at an inflated value, is a flawed notion which has raised property values beyond the ambitions of large numbers of people and has economically crippled the lives of many others. The Useful value of a property to us, what it adds to our lives as compared to our other living expenses, would be much lower if we had a system other than greed to give it a dollar value. The Serial Ownership system gives that idealistic role to the Trust by legislating it into, what most would identify as, an altruistic selfless property owner whose aims are to the benefit of the property and to the present and subsequent Serial Owners.

The Capital value of a property is a real estate market value, set by the continued reselling in a generally escalating market place, whereas once the initial mortgage on a Serially Owned property is paid off, the costs of its ownership are set by only four needs: maintenance and upgrading of the property and maintenance and expansion of the Trust system that makes it possible. There is no need for further refinancing, or legal fees, or agents and agencies to be paid off. Its maintenance and upgrading costs will be paid for under both systems. It is only the costs of the Trust system that are an extra and those costs can be made productive and valuable to both the Serial Owners and the Trust system.

It is hard to establish exactly what economic benefits would be realized by adopting a system of Serial Ownership. It is a complex concept and one that is most likely to be adopted by those who cannot afford Capital Ownership, at least initially. But my guess is that, at the low end of the property scale it would at least cut costs in half. Resourcefulness and ingenuity would play a big role in just how those reductions would be achieved. But it is not only a reduction in costs that would be an advantage for Serial Owners. In sharing their monetary burden with others a system of support is set up which creates other opportunities for benefit which will only be realized when the proposal is looked at in detail and then put into practice. As a radical alternative to Capital Ownership it might require some open mindedness, but a radical alternative should be available for those now left out in the cold.

## **II.How does Serial Ownership Work?**

### **For the Money Underprivileged**

It is one thing to realize the potential of Serial Ownership and another to create from it, a working system in the face of an existing powerful motivating force in society, the real estate system of Capital Ownership. The principles of Serial Ownership are universal but it is only likely to replace Capital Ownership at the bottom end of the scale, for the money underprivileged who cannot afford Capital Ownership. Also for those on the lower edge who might see Serial Ownership as a stepping stone up to Capital Ownership. This practical reality has substantially coloured my choices as to the nature of an appropriate system.

### **New Serial Owners**

Perhaps the best approach is to describe my version of a Serial Ownership system, first from the point of view of a new Serial Owner wanting to buy into an existing property already owned by a Trust. That is fairly simple. Having negotiated with the Trust and signed a contract for that property, the new Serial Owner begins by paying a premium over the Trust's basic rental value of the property for a fixed period, my suggestion is six years, after which the rental value drops back to basic and therefore goes into a slow decline. How far and how fast the rental value drops, relates to how much of the mortgage is paid off and what the Trust's costs are for maintaining and upgrading the property.

## **Serial Owner Investment**

That premium goes directly back to the previous Serial Owner, paying off their investment in the property, as also does a proportion of the basic rental value, which is a measure of how much they have improved the property while they owned it. The premium is also the new Serial Owner's investment in the property which they are due to receive back should they sell. The new Serial Owner is in a contractual agreement with the Trust which gives them most of the usual privileges of ownership, with the obvious exceptions of selling to the real estate market and of degrading the property. They contractually agree to maintain and upgrade the property, for which they will get the benefit; both by living and enjoying a better life style because of those improvements, without an increasing rent, and as with the previous Serial Owner, by a future income from the next Serial Owner who is enjoying their improvements.

## **Long Term Cost of Ownership**

There are even longer term benefits. All the Serial Owners of a property are guaranteed equal long term value from their ownership. The short term economics of buying a property and paying off its mortgage has only to be done once in this system but its burdens will undoubtedly fall heavier on the initial Serial Owners than later ones. The Trust system guarantees to redress that imbalance in the long term so the initial Serial Owners can expect extra income from the property once its long term economics have stabilized.

## **A Trust Manager**

On the practical side, each Serial Owner deals with a Trust Manager in a 1:1 relationship. The Manager has the responsibility of representing the Trust's role in the Serial Ownership, which basically concerns the interests of the property and that of past and future Serial Owners. These are all guaranteed without extra effort from the Manager, if the property is appropriately maintained and upgraded as the Trust's contract with each Serial Owner requires. Each Serial Owner may have different versions of exactly what that might mean but that doesn't imply that they might not all be equably appropriate and to everyone's advantage. It is the Manager's diplomatic or practical role to ensure a continued happy ending to the stories.

## **The Size of a Trust**

It seems most appropriate to me that each Trust be kept small, 25 properties, each, with one Manager. Trusts of that size are manageable on that 1:1 basis.

Serial Owners can know each other and make commonly agreeable decisions without serious difficulty, which include choosing the Manager. Trusts of that size could have their own ‘character’, choices that Serial Owners would make as a group, creating Bylaws for themselves and making Commitments for their own Trust to adhere to.

## **Legal Structure of a Trust**

Each Trust would have to be set up legally, in accord with Government legislation. Perhaps this structure would be most like that of a Credit Union, in a Trust’s need to be responsible for its Cash Flow to past, present and future Serial Owners. It would have Standard Bylaws and Commitments established by the Government legislation, for the protection of both the property’s and the Serial Owner’s interests. But it is also appropriate that the Serial Owners should be able to tailor their own Trusts to best suit their particular needs, especially around the central role of Manager. And there are many other questions about the operation of a Trust, involving the bringing in of new properties and Serial Owners for example and perhaps the selling of properties, which might be made special to each Trust.

In the same way that a Serial Owner makes a contact with the Trust to maintain and upgrade their properties, each Trust must make a contractual agreement with the Government to maintain and upgrade their Trust, and by supportive cross subsidies with other Trusts, to maintain and upgrade the Trust system itself. Both of these are essentially commitments of a proportion of a Trust’s cash flow to these uses but the self commitment to the interests of their own Trust could be interpreted more broadly and be part of that Trust ‘character’.

## **The Role of Manager**

There is no point in paying the Manager just to be a bureaucrat, running the Trust, when there are probably much more natural and productive roles for a Manager that would include the necessary bureaucrat as a minor part. For example, someone having the building skills appropriate to ‘maintaining and upgrading’ properties, would allow Serial Owners to employ and pay the Manager to do work that might otherwise go to external help. If the role of Manager is set up to allow that, then the Manager’s job for the Trust is subsidised by doing necessary practical chores.

Some Trusts might want to make it a shared ‘handyman’ role, others might prefer each Serial Owner to be able to deal separately with a Manager in the more ambitious role of ‘contractor’, able to organise and carry out major projects. With a little imagination, the role of Manager needn’t cost the Serial Owners anything more than they would otherwise need to spend, and with a little more

imagination, the Serial Owners could have an economically beneficial cooperative partnership. For other Trusts, such as those which might choose senior citizens as their focus, the Manager could go beyond the practical and have an especially supportive social role.

## **Running the Economy of a Trust**

The simplest way to run the economy of a Trust would be to have each Serial Owner a member of the same Credit Union and for the Trust itself to be a specially structured account within that Credit Union. The Credit Union would administer the accounts, according to the Government's Trust legislation and according to the legitimate decisions of each Trust. The Trust Manager would have no financial role other than in making legitimate decisions with the Serial Owners. The Credit Union would handle whatever paperwork was involved and notify the Manager, Serial Owners or the Government, if there were any deficiencies in the financing. Other than these notifications, the Credit Union's role would only be those of accounting and money management.

The economy of a Trust is actually complex, involving some careful and perhaps unusual accounting. Each Serial Owner may pay a single rental value each month but that money may go into any of six Committed Cash Flows.

1. To pay off that property's mortgage
2. To balance the interests of all that property's Serial Owners
3. To subsidise other Serial Owners in the Trust who have properties with large mortgages
4. To return the subsidies as each mortgage is paid off
5. To subsidise the expansion of the Trust system
6. To return the subsidies from the expanded Trust system

1 & 2., 3. & 4., 5. & 6., are all variations of supportive subsidies and their repayment at a later date. 1. & 2. identifies the economic sharing between the Serial Owners of a single property so as to balance earlier and later contributions. 3. & 4. identifies the economic sharing of funds between the current Serial Owners within a single Trust to give support to new properties. 5. & 6. identifies the economic sharing between all Trusts to benefit the Trust system as a whole.

## **Feedback Controls Growth of the Trust System**

Within this 'economy of a Trust, and the Trust system, are three self subsidy or feedback routes built into its Committed Cash Flows. The Serial Owners of a property have an obligation to support each other. The Serial Owners of a Trust have a separate obligation to help each other, and the Serial Owners of the Trust system as a whole have an additional obligation to help each other. Each of these obligations would be identified within the bylaws of each Trust and are limited contractual obligations. They each take money from the future and apply it to the present in that they are debts to be repaid. It is a specific form of debt financing in which the 'future' represents those Serial Owners whose properties are closer to being paid off and whose rental value has dropped. These obligations are not 'taxes' though; they are due to be repaid, it is more appropriately described as a feedback system. As feedback they speed up the growth of the Trust system. As obligations to be repaid, they put limits on that growth.

## **Accounting for Property Improvements**

A property owner contractually agrees to maintain and upgrade the property. Much of what might be implied by this agreement is simply what an appreciative owner would want to do for their property and their lifestyle. However some upgrading may go beyond this level of self indulgence and require a specific agreement between the Serial Owner and the Trust. An accounted improvement on a property is made as a specific agreement between the Manager and the Serial Owner, initiated before and completed after the improvements are made. The result is that an Accounted Improvement is recorded as both a debt owed to the Serial Owner by the Trust and as an increase in rental value of the property because of its improved quality. The Serial Owner does not pay the rental value increase, that is what the Trust may charge a new Serial Owner because of the improvement. However the increase may be deducted each month from the debt owed by the Trust to the Serial Owner, so that if they retain their ownership long enough the debt will be paid off.

## **Independence of Property Accounts**

While the accounting of the Trust economies may appear complexly interwoven, the reverse is in fact true. The basic principle which allows these cross subsidisations between properties, Serial Owners and Trusts, is that every subsidy is repaid eventually. Even subsidy that a Serial Owner or a property account receives, is recorded as a debt to be repaid to the source of the subsidy. Each of these sources is taking a temporary of the mortgage to make the short term economies of individual Serial Owners and their properties, more palatable. Yet



because the accounting is being handled in this way, any Serial Owner and their properties could be transplanted from one Trust to another without concern. Existing debts will still be repaid to their sources at the appropriate time even as that property and Serial Owner continue to receive new subsidies via the new Trust.

## **Portability of Properties**

This ability of a property to be transferred from one Trust to another, in principle, may appear to be irrelevant to the operation of the Trust system. But that also may not be true. In choosing to keep Trusts small, in encouraging Trusts to develop their own ‘character’ and to create special roles for their Managers, etc., the real possibility arises that a Serial Owner may no longer want to remain in the Trust that they initially joined. Must they look for another property in another Trust, or is it reasonable that they move themselves and their property to a Trust that suits them better? There may be reasons that a Trust wants to keep a particular property but they shouldn’t be economic. A property may have debts to other Serial Owners or properties in the Trust, or the reverse, a property and its Serial Owner may be owed cash flows by others. Either way the value of a property to a Trust is recorded and established. Properties are not, in principle, tied to their Trusts.

## **Sale of a Property to its Serial Owner**

It is a relatively small step from portability to the outright sale of a property to its Serial Owner. At any time, the accounts of a Serial Owner and their property are fully in order for a sale at real estate market value to be considered. Perhaps encouraged is a more appropriate word, because obviously it is a substantial bonus to have income at real estate market values brought into a Trust which values its properties at a much lower level. Such a sale creates an opportunity to probably bring in two new properties to the Trust system. And if that Serial Owner’s finances have improved to that point, why should they be denied their opportunity?

## **Serial Owner Investment in a Trust**

Each Serial Owner makes an investment in their property via the premiums they initially pay on the rental value of their property. But as their personal economies improve a Serial Owner might like to have a greater amount of investment, perhaps with just the above view, that of buying out their property at some stage or perhaps for retirement income. It makes no sense to the economy of the Trust system for them to have a specific investment tied to their own

property, since the Trust holds no capital value for a property until it is ready to be sold. However in order to bring new properties into the Trust system, a Trust may need extra cash flow if the feedback economy of the Trust is inadequate to the task, which could usefully come from Serial Owner investment.

### **Moving Between Properties in the Trust system**

In exactly the same way that a properties portability facilitates its sale, it also makes it easy for a Serial Owner to sell their existing property within a Trust and buy another property in another Trust. All the necessary accounting is set up, it only requires the appropriate opportunity to become available. It would almost be no more complex an exchange than that of a renter deciding to move elsewhere.

## **III.Establishing a Trust**

### **Starting a Trust**

It is too big a conceptual jump to first talk about the start up of a Trust or Trust system. Nor is it necessary. Each property and its Serial Owner are independent in that they can be moved from one Trust to another within the Trust system, or that they can be sold out of a Trust, or equally that they can be added to a Trust. So rather than talk about starting a Trust from scratch it is simpler and more direct to talk about building one up, a property and a Serial Owner at a time. The progressive route, at the instigation of a new Serial Owner. Putting the responsibility where it ultimately should be, with the real beneficiary of the process.

### **The Eligibility Of Adding A Property To A Trust**

Suppose a potential Serial Owner identifies a property on the real estate market that they would like to own but don't have the funds for a conventional mortgage. So they approach an existing Trust and ask to be allowed to 'join'. What defines their eligibility? As a hypothetical question that may be difficult but for that particular Trust it shouldn't be; it should be mostly straightforward economics as it would be for a mortgage company. The cost of adding a new mortgage to a Trust is a calculable burden which is bound to fit within its legally defined feedback obligations to its Serial Owners and the Trust system. It won't be the same for every Trust. If a Trust is fairly new, its obligations may already be taken up. If the Trust has existed for a while and paid off many

of its mortgages, it may have adequate room for even an expensive mortgage. How should one mortgage be chosen in preference to another?

### **Should Government Subsidy Be Used To Help Start A Trust?**

Clearly there is room for a Government subsidy for low cost housing to be used to facilitate the process. It is an especially attractive option in the initial stages when most mortgages are new and there is little room that can be justified economically, for adding new properties to Trusts. It is an option which has to be allowed its proper place. And as with all subsidies to the Trust system, it will be returned so that it can be reused elsewhere in the Trust system at a later date. But the Trust system should first be viewed as self supporting economically and its valuation principles should be allowed to develop independent of any Government subsidy.

### **How Expensive Can A New Mortgage Be?**

So again set aside the problems of getting a Trust underway and reconsider the potential new Serial Owner approaching an established Trust which has an economically supportable range of properties whose mortgages are sufficiently paid off that a new one can be considered. What then are the considerations for allowing a new one in? First off it has to be recognized that the value of a property within a Trust is probably half that of a property outside, when the measure is long term rental value. Is this new mortgage too expensive relative to the existing properties in the Trust? That is a valid and answerable question. All new mortgages essentially have to be pulled down, or subsidised until its rental value can return enough to the Trust to justify its place. The new Serial Owner may be willing to pay a high initial rental value but will subsequent Serial Owners? It is the Trust that will be left with the financial problems if the new Serial Owner chooses to sell out later.

### **Low Cost And Upgradeable Properties**

From the point of view of almost any Trust a low cost mortgage is basically the first consideration for new properties and new Serial Owners. The second is a property with a lot of potential to be upgraded. The Trust system is specifically aimed at the low end of the property market and has built into it the opportunity for Serial Owners to benefit from the improvements that they make to their properties. These are the features that are most relevant to making a Trust system work so they are the first features to be looked for when the opportunity to add properties to a Trust arises.

## **A Leg Up For The Enterprising Poor**

They are not features that are uniformly available across the real estate market but they are common enough to be valued opportunities by enterprising people everywhere. Unfortunately, while many poor people may be enterprising and otherwise capable of taking advantage of such an opportunity, the financial gap that needs to be crossed may be too big. A Trust could be the needed leg up for the enterprising poor. In that case a Trust has another problem to consider, being able to choose between the competent and incompetent enterprising poor. There isn't a specific way to answer that question, nor should there be. The choosers who are faced with this problem are the Serial Owners of a Trust and its Manager. Help in the form of guidelines might be offered to a Trust and a mistake might still be made. However a mistake should not be worse than a 1 in 25 mistake and its repercussions will have to be resolved before the Trust's economy allows it to be repeated.

Apart from making a mistake the opportunities to expand a Trust by choosing new Serial Owners and new properties according to these principles are very, broad. Such properties and such people exist everywhere, it is only a matter of creating a safe framework which will take advantage of the opportunities as they are offered. It really isn't possible to generalize on the best or safest ways, they will have to be arrived at by experience and discussions. It is appropriate that it is the existing Serial Owners of a Trust along with its Manager, who have the closest possible experience, involvement and investment, who have to make the specific decisions. However there are some other social areas which offer useful suggestions.

## **Urban Renewal**

It would be appropriate to see the Trust system as a tool for Urban Renewal but not as a Planners tool. The planning of an Urban Renewal project might encourage the establishment of Trusts by creating opportunities and providing initiating funds, etc. But each Trust should be independent of any control that is not written into its Bylaws. An Urban Renewal project might for example, allow sub-code buildings on properties if a Trust's contractual agreements with its Serial Owners specified an appropriate time for their Serial Owners to bring them up to code. There might be a thousand other imaginative ways for Urban Renewal to be planned to take advantage of the special nature of the Trust system and provide Serial Owners with lower cost alternatives. It is an opportunity to be explored.

## **Senior Citizens and Reverse Mortgages**

Another area for imagination is relative to senior citizens and their needs. They can often be people whose incomes are falling relative to their costs of living and maintaining their lifestyles and their homes can be special problems. If such senior citizens chose to sell their properties into a Trust, the Trust could offer them better benefits than the other potential resolution, a reverse mortgage. A Trust will likely want and value their property, maintain and upgrade it, there is long term value to a Trust in a property other than its resale value. A Trust is naturally a more effective and economical administrator of the reverse mortgage principle than is a financial institution.

The Trust wouldn't have a mortgage to pay off but neither would it have an income from the property. The Trust would have support commitments for the senior citizens and maintenance and upgrading costs, all of which would be deducted from the agreed value for the property, along with its monthly unpaid rental value. But in principle what a senior citizen gets in terms of dollar value should be no different from those of a Serial Owner. Which has to mean lower costs and less deducted from the value of the property than a reverse mortgage scheme could offer. The senior citizen has to be as much of a beneficiary as any Serial Owner.

Whether such a proposal would be a burden to a Trust would depend on how much support a senior citizen required and later what inheritance costs might apply. In many cases it might be possible for it to be handled within the normal economy of a Trust. In other cases, Government support might be needed as it might be otherwise, or a special senior citizens Revolving Support Fund might supply the temporary backing for what is undoubtedly an economically viable way of dealing with the problem. The resolution is clearly mutually advantageous and should be a focus for inspiration and imagination.

## **Failed Mortgages**

Another potential resource to expand the Trust system would be anyone on the brink of losing out on their mortgage payments. If those people sold out to a Trust at that point, they would automatically qualify for rental value payments lower than their current mortgage payments and it is likely that their current investment in their property would be sufficient so that even the initial premium normally required of new Serial Owners would not apply. By giving up their ambition for Capital Ownership they could get the benefits of Serial Ownership's lower costs. From the point of view of a Trust, every such proposal would be economically unique, depending on how much investment the new Serial Owner already had in the property and the size of the remaining mortgage, as well as the new Serial Owner's ability to pay. Also, many of these situations might not qualify as low cost mortgages or upgradeable properties. As in all situations the

choice is one the Trust would have to Judge.

### **Government Backed Low Cost Mortgages**

It might be an appropriate proposal for some Government backed low cost mortgages to have their properties held and managed by a Trust until they are fully paid off. This could be of benefit to the mortgagee, the Government and the Trust. The mortgagees would have the support and advice of the Trust manager in maintaining the property, and the Trust as a safety net should their attempt to buy the property outright fail. The Government would equally have the Trust as backing but also with it the surety that the property itself was not being downgraded. The Trust would have no financial involvement to burden it but undoubtedly a proportion of these properties would end up in Trust to the benefit of the Trust system.

### **Cooperative Housing**

The motivations and organization behind Cooperative projects is different and more specifically directed than is the Trust system. At the same time the Trust system provides a useful and versatile structural and legal framework from within which to launch such Cooperative projects. It could make them more easily accessible and more secure for those involved in them. It would also allow individuals to opt out of a Cooperative project and buy into a Trust and be sure that their investment in that project was evaluated on an equivalent basis and properly carried over to the Trust. The reverse process could equally be true.

### **Government Financed Low Cost Housing**

Much of what needs to be said about Government subsidies within the Trust system has already been said. However, Governments may still want to finance specific projects to create low cost housing for the poor. In that case a Trust is ideally suited as a management system, both physically and financially. Even if those benefitting from these projects are not becoming Serial Owners with financial responsibility for their own properties, their accounts can be measured up against each other and the Government support given on an equal basis to Serial Owners. Equally, the Trust system provides a universal yardstick to measure the effectiveness of the Government financing.

## Rental Of Trust Properties

While the renting of Trust properties may not be the goal of the Trust system, it is only a minor adjustment from Serial Ownership. A renter would not pay the initial premiums of a Serial Owner while their basic rental value would be higher. Having no long term commitment to the property they would not qualify for the long term equalization of rental values and their consequent reduction with time, but as long as the renter took responsibility for maintenance and upgrading, there is no reason for their rents to be increased. At the same time they might be eligible to receive a return of future income from the property if the improvements they were responsible for outweighed the benefits of an unchanging rental value. Rental of a Trust property is a viable option for a Trust when a new Serial Owner is not available.

## Starting Up The Trust System

Having said all of the above, the notion of starting up a Trust and a Trust system from scratch can be lightly addressed. There are obviously financing problems in going from a real estate market valued system to this one. It cannot be otherwise. However the real estate market system leaves out a very large number of people who could own and look after properties in the sense of this proposal and in doing so contribute positively to our society and its economy. The economically underprivileged should have such an opportunity available to them.

I do not believe that Government subsidy of either Capital Ownership or Serial Ownership is the right route to follow. The aim of this presentation has been to indicate that Serial Ownership is cheaper and basically self supporting. That I believe is the appropriate starting point. If Serial Ownership is established as a financially viable option then Government support or Financial Institution Support to expand its viability will follow on after. The fundamental issues to be resolved lie in creating Serial Ownership in a form which will attract participation from the people and benefit society. The economic issues will resolve themselves around that established support.

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